

REFERENCE TITLE: enterprise zones; reauthorization

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2686

Introduced by
Representatives Huffman, O'Halleran, Reagan, Senator Leff: Representatives
Brown, McComish, Senators Arzberger, Flake

AN ACT

AMENDING SECTIONS 41-1525, 41-1525.01, 42-12006 AND 42-15006, ARIZONA REVISED
STATUTES; AMENDING LAWS 1996, CHAPTER 344, SECTION 12, AS AMENDED BY LAWS
2001, CHAPTER 370, SECTION 8; RELATING TO ENTERPRISE ZONES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 41-1525, Arizona Revised Statutes, is amended to
3 read:

4 41-1525. Tax incentives; definitions

5 A. The owner of a business or an insurer located in an enterprise zone
6 before July 1, ~~2006~~ 2011 is eligible for an income tax credit under section
7 43-1074 or 43-1161 or a premium tax credit under section 20-224.03 for net
8 increases in qualified employment positions, except employment positions at a
9 zone location where more than ten per cent of the business conducted at the
10 location consists of retail sales of tangible personal property, measured
11 either by the number of employees assigned to retail sales or the square
12 footage of the facility used for retail sales activities at the location in
13 the zone. Retail sales and retail sales activities do not include:

14 1. Food and beverage for consumption on the premises solely by
15 employees and occasional guests of employees at the location.

16 2. Promotional products not available for sale and displaying the
17 company logo or trademark.

18 3. Products sold to company employees.

19 B. To qualify for a tax credit, the owner must:

20 1. Certify to the department of revenue or the department of
21 insurance, as applicable, on or before the due date of the tax return,
22 including any extensions for the year for which the credit is claimed, in a
23 form prescribed by the department of revenue including electronic media,
24 information that the department of revenue may require, including the
25 ownership interests of co-owners of the business if the business is a
26 partnership, limited liability company or an S corporation, and the following
27 information for each employee in the zone location:

28 (a) The date of initial employment.

29 (b) The number of hours worked during the year.

30 (c) Whether the position was full-time.

31 (d) The residence of the employee.

32 (e) Whether the residence was in or outside the zone.

33 (f) If the residence was in the zone, where in the zone it is located.

34 (g) The employee's annual compensation.

35 (h) The total cost of health insurance for the employee and the cost
36 paid by the employer.

37 (i) If the employee had been previously employed, the last date of
38 previous employment.

39 2. Report and certify to the department of commerce the following
40 information, and provide supporting documentation, on a form and in a manner
41 approved by the department of commerce and, as specified in subsection C of
42 this section, for each year in which the taxpayer earned and claimed or used
43 credits or is carrying forward amounts from previously earned and claimed
44 credits:

45 (a) The business name and mailing address and any other contact
46 information requested by the department of commerce.

(b) The business location and the name of the zone in which the business is located.

(c) The average hourly wage and the total amount of compensation paid to employees qualified for the credit and for all employees at the zone location.

(d) The total number of qualified employment positions and the amount of income tax or premium tax credits qualified for in the tax year.

(e) The estimated amount of tax credits to be used in the tax year to offset tax liability.

(f) The estimated amount of tax credits to be available for carryforward in the tax year and the tax year in which the credits expire.

(g) The number of jobs and the amount of credits earned and claimed on the prior year's income tax or insurance premium tax returns.

(h) The amount of credits used to offset tax liabilities on the prior year's income tax or insurance premium tax return.

(i) The amount of credits available for carryforward as reported on the prior year's tax return and the tax year the credits expire.

(j) Capital investment made in the zone during the tax year and the preceding tax year.

(k) That each qualified employment position meets all of the following requirements:

(i) The position is at least one thousand seven hundred fifty hours per year of full-time permanent employment.

(ii) All credits that are being claimed are for wages for job duties performed **PRIMARILY** at the zone locations of the business.

(iii) The employment includes health insurance coverage for the employee for which the employer pays at least fifty per cent of the premium or membership cost. if the taxpayer is self-insured, the employer pays at least fifty per cent of a predetermined fixed cost per employee for an insurance program that is payable whether or not the employee has filed claims.

(iv) The employer pays compensation at least equal to the wage offer by county as computed annually by the department of economic security research administration division.

(l) That the only retail **SALES** activities engaged in at the zone location were as specified in subsection A of this section.

(m) Other information necessary for the management and reporting of the incentives under this section.

3. For any year in which the taxpayer is claiming first year credits, report and certify the following additional information and provide supporting documentation to the department of commerce on a form and in a manner approved by the department, and as specified in subsection C of this section:

(a) That thirty-five per cent of the employees with respect to whom a credit is claimed for the first year of employment resided on the date of

1 employment in an enterprise zone that is located in the same county in which
2 the business is located.

3 (b) That the increase in the number of qualified employment positions
4 for which credit is sought is the least of:

5 (i) The total number of filled qualified employment positions created
6 at the zone location during the tax year.

7 (ii) The difference between the average number of full-time employees
8 at a zone location in the current tax year and the average number of
9 full-time employees during the immediately preceding tax year.

10 (iii) Two hundred qualified employment positions per taxpayer each
11 year.

12 (c) THAT all employees filling a qualified employment position were
13 employed for at least ninety days during the first taxable year.

14 (d) THAT none of the employees filling qualified employment positions
15 were employed by the taxpayer during the twelve months before the current
16 date of hire.

17 (e) THAT all employees for whom second and third year credits are
18 claimed are in qualified employment positions for which first year credits
19 were allowed and claimed by the taxpayer on the original first and second
20 year tax returns. For the purposes of this subsection, the requirement to
21 claim the credit on the original tax return does not apply to qualified
22 employment positions created before January 1, 2002 and ~~were~~ certified to the
23 department of commerce.

24 (f) THAT all employees for whom credits are taken performed their job
25 duties primarily at the zone locations of the business.

26 C. To qualify for first year credits, the report and certification
27 prescribed by subsection B, paragraphs 2 and 3 of this section must be filed
28 with the department of commerce by the earlier of six months after the end of
29 the tax year in which the qualified employment positions were created or by
30 the date the tax return is filed for the tax year in which the qualified
31 employment positions were created. To qualify for second year credits, the
32 report and certification prescribed by subsection B, paragraph 2 of this
33 section must be filed with the department of commerce by the earlier of six
34 months after the end of the taxable year or the date the tax return is filed
35 for the tax year in which the second year credits are allowable. To qualify
36 for third year credits, the report and certification prescribed by subsection
37 B, paragraph 2 of this section must be filed with the department of commerce
38 by the earlier of six months after the end of the tax year or the date the
39 tax return is filed for the tax year in which the third year credits are
40 allowable.

41 D. Any information submitted to the department of commerce under
42 subsection B, paragraph 2, subdivisions (e) through (i) of this section is
43 exempt from the provisions of title 39, chapter 1, article 2 and considered
44 to be confidential and is not subject to disclosure except:

45 1. To the extent that the person or organization that provided the
46 information consents to the disclosure.

1 2. To the department of revenue for use in tax administration.

2 E. Real and personal property within an enterprise zone which is owned
3 or used by a small manufacturing business that is certified by the department
4 pursuant to section 41-1525.01 before July 1, ~~2006~~ 2011 shall be assessed as
5 class six property as provided by section 42-12006.

F. Documents filed with the department of commerce, the department of insurance and the department of revenue under subsection B of this section shall contain either a sworn statement or certification, signed by an officer of the company under penalty of perjury, that the information contained is true and correct according to the best belief and knowledge of the person submitting the information after a reasonable investigation of the facts. If the document contains information that is materially false, the taxpayer is ineligible for the tax incentives under subsection A of this section and is subject to recovery of the amount of tax incentives allowed in preceding taxable years based on the false information, plus penalties and interest.

16 G. The department of commerce may make site visits to a taxpayer's
17 facilities if it is necessary to further document or clarify reported
18 information. The taxpayer must freely provide the access.

19 H. The department by rule may prescribe additional reporting
20 requirements for taxpayers who claim tax benefits pursuant to this section.

21 I. For the purposes of this section:

22 1. "Assigned to retail" means working more than twenty-five per cent
23 of an employee's time in one or more retail sales activities.

24 2. "Retail sales" means the sale of tangible personal property to an
25 ultimate consumer.

26 3. "Retail sales activities" means all activities persons operating a
27 retail business normally engage in, including taking orders, filling orders,
28 billing orders, receiving and processing payment and shipping, stocking and
29 delivering tangible personal property to the ultimate consumer, except drop
30 shipments by a company acting on behalf of an unrelated company that has made
31 a sale to a final consumer.

32 4. "Zone location" means a single parcel or contiguous parcels of
33 owned or leased land, the structures and personal property contained on the
34 land or any part of the structures occupied by a taxpayer.

35 Sec. 2. Section 41-1525.01, Arizona Revised Statutes, is amended to
36 read:

37 41-1525.01. Certification of small manufacturing businesses;
38 definitions

39 A. Through June 30, ~~2006~~ 2011, the department of commerce shall
40 annually certify small manufacturing businesses that qualify for property tax
41 incentives under section 41-1525, subsection E. To qualify under this
42 section:

43 1. A small manufacturing business must meet the minimum investment
44 requirements prescribed by this paragraph. The investments may be
45 cumulative. A small manufacturing business shall not include fixed assets
46 purchased from an enterprise zone manufacturing company already certified

under this section. Subject to subsection E of this section, certification is effective on January 1 of the valuation year, as defined in section 42-11001, following completion of the required investment. To qualify, the small manufacturing business must invest at least the following amount, as applicable, in fixed assets in the zone after December 31, 1995:

(a) In counties with a population of two hundred fifty thousand persons or more, two million dollars, except as provided in subdivision (b) of this paragraph.

(b) In all other counties, and for cities and towns located in counties with a population of two hundred fifty thousand persons or more and that have no portion of the corporate boundaries located within twenty-five air miles from the exterior corporate boundary of the largest city in the county:

(i) Cities with a population of eighty thousand persons or more, two million dollars.

(ii) Cities and towns with a population of at least ~~ten~~ FIFTEEN thousand but less than eighty thousand persons and in unincorporated areas of the county, one million dollars.

(iii) Cities and towns with a population of less than ~~ten~~ FIFTEEN thousand persons, five hundred thousand dollars.

2. A business initially applying for certification under this section must report the following with supporting documentation to the department of commerce on a form and in a manner prescribed by the department:

(a) Business name and mailing address and any other contact information requested by the department.

(b) Business location and the enterprise zone in which the business is located.

(c) The number of full-time employees at the time of application and the benefits provided to employees.

(d) The assessor's parcel number of real property to which class six assessment classification will apply.

(e) If available, the assessor's account number for personal property to which class six assessment classification will apply.

(f) For the zone location, the gross receipts, gross payroll and average hourly wage paid to employees for the preceding taxable year.

(g) A statement of the ownership and description of operations of the zone business.

(h) Documentation of the required investment in fixed assets that identifies the fixed assets and establishes the cost of the fixed assets and the time of investment.

(i) Documentation that establishes the type and amount of manufacturing activity conducted at the zone location.

(j) Ownership and full cash value of real and personal property to be certified.

(k) Other information necessary for the management and reporting of this program as determined by the department.

1 B. IF PROPERTY WAS PREVIOUSLY OCCUPIED BY A CERTIFIED SMALL
 2 MANUFACTURING BUSINESS, A NEW BUSINESS OR OCCUPANT OF THE PROPERTY MAY APPLY
 3 FOR CERTIFICATION PURSUANT TO THIS SECTION, BUT BOTH OF THE FOLLOWING MUST
 4 APPLY TO QUALIFY FOR CERTIFICATION:

5 1. THE PROPERTY MUST HAVE BEEN IDLE OR VACANT FOR AT LEAST TWELVE
 6 CONSECUTIVE MONTHS BEFORE THE NEW OWNER OR OCCUPANT APPLIES FOR
 7 CERTIFICATION.

8 2. NO MORE THAN TWENTY PER CENT OF THE OWNERSHIP INTEREST IN THE NEW
 9 BUSINESS MAY BE OWNED BY A PERSON OR COMBINATION OF PERSONS WHO COLLECTIVELY
 10 OWNED MORE THAN TWENTY PER CENT OF THE OWNERSHIP INTEREST IN THE PREVIOUSLY
 11 CERTIFIED BUSINESS.

12 ~~B.~~ C. The department shall not certify any business for qualification
 13 for property tax incentives after June 30, ~~2006~~ 2011. However, certification
 14 under this section is valid for five years subject to annual recertification
 15 regardless of whether under changing circumstances the business grows beyond
 16 ninety-nine full-time employees at the zone location or gross annual receipts
 17 of more than four million dollars and regardless of whether the enterprise
 18 zone continues in existence if it continues to meet the other eligibility
 19 requirements.

20 ~~C.~~ D. In order to be annually recertified pursuant to subsection B of
 21 this section, a small manufacturing business must continue to meet all the
 22 eligibility requirements of this section and must annually report the
 23 following and provide supporting documentation to the department of commerce
 24 on a form and in a manner approved by the department:

25 1. Information required by subsection A, paragraph 2, subdivisions
 26 (a), (b), (d), (e), (f), (i), (j) and (k) of this section.

27 2. Changes in location, ownership and operations of the business in
 28 the immediately preceding year.

29 3. The average number of full-time employees at the zone location for
 30 the immediately preceding year.

31 ~~D.~~ E. To qualify for classification as class six property for tax
 32 purposes, ~~THE CERTIFIED BUSINESS MUST SUBMIT A COPY OF~~ the department's
 33 initial certification, and each annual recertification, with a written
 34 request to reclassify the property ~~must be submitted~~ to the county assessor
 35 of the county in which the property is located by December 10 each year.

36 ~~E.~~ F. A manufacturer shall submit its application for initial
 37 certification or annual recertification to the department not later than
 38 October 1 of each year. The Department shall notify the appropriate county
 39 assessors of all qualified enterprise zone properties located within their
 40 county not later than December 1 of each year.

41 ~~F.~~ G. If a manufacturer moves from the originally certified location,
 42 it loses its eligibility. The manufacturer may apply for certification at a
 43 new zone location for the remainder of its five years if it meets the minimum
 44 investment requirements in fixed assets that were not moved from the prior
 45 zone location, meets all other eligibility requirements of this section and
 46 has not reached the five year eligibility limit.

~~G.~~ H. Once a manufacturer establishes the basis for eligibility and the department certifies the manufacturer, the business may change its basis of eligibility during the four remaining years of potential eligibility as long as the manufacturer meets the requirements for the new basis of eligibility.

~~H.~~ I. If a certified manufacturing business is purchased by another entity or changes **BY MORE THAN TWENTY PER CENT OF THE** ownership **INTEREST** through reorganization, stock purchase or merger, the certification is terminated. The new manufacturer may apply for certification according to eligibility requirements of this section.

~~I.~~ J. A small business that was originally certified for a ten year period of property reclassification loses eligibility for any year in which the size limits are exceeded or the business is no longer independently owned and operated.

~~J.~~ K. The department of commerce shall notify the department of revenue and the county assessor if a certified small manufacturing business closes, moves from the enterprise zone or fails to maintain its eligibility, and the assessor shall make the appropriate changes to the tax roll.

~~K.~~ L. The department of commerce may make site visits to a taxpayer's facilities if it is necessary to further document or clarify reported information. The taxpayer must freely provide the access.

~~L.~~ M. Documents filed with the department of commerce pursuant to this section shall contain either a sworn statement or certification, signed by an officer of the company under penalty of perjury, that the information contained is true and correct according to the best belief and knowledge of the person submitting the information after a reasonable investigation of the facts. If the document contains information that is materially false, the taxpayer is ineligible for the tax benefits under this section and is subject to recovery of the amount of tax benefits allowed in preceding years based on the false information, including penalties and interest.

~~M.~~ N. The department by rule may prescribe additional reporting requirements for persons who claim a tax benefit pursuant to this section.

~~N.~~ O. For the purposes of this section:

1. **"CLOSELY HELD" MEANS FIVE OR FEWER INDIVIDUALS OWN MORE THAN FIFTY PER CENT OF THE OWNERSHIP INTEREST IN THE COMPANY, CORPORATION OR PARTNERSHIP.**

2. **"FAMILY OWNED" MEANS MORE THAN FIFTY PER CENT OF THE OWNERSHIP INTEREST IN THE COMPANY, CORPORATION OR PARTNERSHIP IS OWNED BY MEMBERS OF THE SAME FAMILY.**

~~1.~~ 3. **"Fixed assets" means property that is used in operating a business, such as furniture, land, buildings and machinery, and that is not ordinarily converted into cash after they are declared fixed assets.**

4. **"INDEPENDENTLY OWNED AND OPERATED" MEANS NOT MORE THAN FIFTY PER CENT OF THE OWNERSHIP INTEREST IN THE SMALL MANUFACTURING BUSINESS IS HELD BY ANOTHER ENTITY UNLESS THE FINAL OWNERSHIP OF THE ENTITY IS FAMILY OWNED OR CLOSELY HELD.**

~~2-~~ 5. "Manufacturing" means fabricating, producing or manufacturing products, wares or articles for use from raw or prepared materials and imparting to those materials new forms, qualities, properties and combinations. Manufacturing does not include generating electricity at a facility assessed pursuant to title 42, chapter 14, article 4.

~~3-~~ 6. "Minority owned business" means an independently owned and operated business of which a majority of the business is owned by African Americans, persons of Hispanic or Latin American ancestry and persons of Native American, Asian or other minority origin or descent.

~~4-~~ 7. "Small MANUFACTURING business" means a minority owned business, a woman owned business, or a concern including its affiliates, that is independently owned and operated and employs less than one hundred full-time employees at the location in the enterprise zone when certified by the department of commerce or had gross annual receipts of less than four million dollars in its last fiscal year.

~~5-~~ 8. "Woman owned business" means an independently owned and operated business of which a majority of the business is owned by one or more women.

~~6-~~ 9. "Zone location" has the same meaning prescribed in section 41-1525.

Sec. 3. Section 42-12006, Arizona Revised Statutes, is amended to read:

~~42-12006.~~ Class six property

For purposes of taxation, class six is established consisting of:

1. Noncommercial historic property as defined in section 42-12101 and valued at full cash value.

2. Real and personal property that is located within the area of a foreign trade zone or subzone established under 19 United States Code section 81 and title 44, chapter 18, that is activated for foreign trade zone use by the district director of the United States customs service pursuant to 19 Code of Federal Regulations section 146.6 and that is valued at full cash value. Property that is classified under this paragraph shall not thereafter be classified under paragraph 7 of this section.

3. Real and personal property and improvements that are located in a military reuse zone that is established under title 41, chapter 10, article 3 and that is devoted to providing aviation or aerospace services or to manufacturing, assembling or fabricating aviation or aerospace products, valued at full cash value and subject to the following terms and conditions:

(a) Property may not be classified under this paragraph for more than five tax years.

(b) Any new addition or improvement to property already classified under this paragraph qualifies separately for classification under this paragraph for not more than five tax years.

(c) If a military reuse zone is terminated, the property in that zone that was previously classified under this paragraph shall be reclassified as prescribed by this article.

(d) Property that is classified under this paragraph shall not thereafter be classified under paragraph 4 or 7 of this section.

4. Real and personal property and improvements that are located in an enterprise zone, that are owned or used by a small manufacturing business that is certified by the department of commerce pursuant to section 41-1525.01 and that are valued at full cash value, subject to the following terms and conditions:

(a) Property may not be classified under this paragraph for more than five tax years. **PROPERTY THAT IS OWNED BY A NEW BUSINESS OWNER THAT IS CERTIFIED PURSUANT TO SECTION 41-1525.01, SUBSECTION B MAY BE CLASSIFIED UNDER THIS PARAGRAPH FOR A SEPARATE FIVE YEAR PERIOD.**

(b) Property that is classified under this paragraph shall not thereafter be classified under paragraph 3 or 7 of this section.

5. Real and personal property and improvements or a portion of such property comprising a qualified environmental technology manufacturing, producing or processing facility as described in section 41-1514.02, valued at full cash value and subject to the following terms and conditions:

(a) Property shall be classified under this paragraph for twenty tax years from the date placed in service.

(b) Any addition or improvement to property already classified under this paragraph qualifies separately for classification under this subdivision for an additional twenty tax years from the date placed in service.

(c) After revocation of certification under section 41-1514.02, property that was previously classified under this paragraph shall be reclassified as prescribed by this article.

(d) Property that is classified under this paragraph shall not thereafter be classified under paragraph 7 of this section.

6. That portion of real and personal property that is used on or after January 1, 1999 specifically and solely for remediation of the environment by an action that has been determined to be reasonable and necessary to respond to the release or threatened release of a hazardous substance by the department of environmental quality pursuant to section 49-282.06 or pursuant to its corrective action authority under rules adopted pursuant to section 49-922, subsection B, paragraph 4 or by the United States environmental protection agency pursuant to the national contingency plan (40 Code of Federal Regulations part 300) and that is valued at full cash value. Property that is not being used specifically and solely for the remediation objectives described in this paragraph shall not be classified under this paragraph. For the purposes of this paragraph, "remediation of the environment" means one or more of the following actions:

(a) Monitoring, assessing or evaluating the release or threatened release.

(b) Excavating, removing, transporting, treating and disposing of contaminated soil.

(c) Pumping and treating contaminated water.

1 (d) Treatment, containment or removal of contaminants in groundwater
2 or soil.

3 7. Real and personal property and improvements constructed or
4 installed from and after December 31, 2004 through December 31, 2010 and
5 owned by a qualified business under section 41-1516 and used solely for the
6 purpose of harvesting, transporting or the initial processing of qualifying
7 forest products removed from qualifying projects as defined in section
8 41-1516. The classification under this paragraph is subject to the following
9 terms and conditions:

10 (a) Property may be initially classified under this paragraph only in
11 valuation years 2005 through 2010.

12 (b) Property may not be classified under this paragraph for more than
13 five years.

14 (c) Any new addition or improvement, constructed or installed from and
15 after December 31, 2004 through December 31, 2010, to property already
16 classified under this paragraph qualifies separately for classification and
17 assessment under this paragraph for not more than five years.

18 (d) Property that is classified under this paragraph shall not
19 thereafter be classified under paragraph 2, 3, 4 or 5 of this section.

20 Sec. 4. Section 42-15006, Arizona Revised Statutes, is amended to
21 read:

22 42-15006. Assessed valuation of class six property

23 The assessed valuation of class six property described in section
24 42-12006 is based on the following percentages to the full cash value or
25 limited valuation of class six property, as applicable:

26 1. Property described in section 42-12006, paragraphs 1, 2, 3, 5, 6
27 and 7, five per cent.

28 2. Property described in section 42-12006, paragraph 4:

29 (a) For primary property tax purposes, five per cent.

30 (b) Except as provided in subdivision (c), for secondary property tax
31 purposes: ~~twenty-five per cent.~~

32 (i) TWENTY-FOUR AND ONE-HALF PER CENT THROUGH DECEMBER 31, 2006.

33 (ii) TWENTY-FOUR PER CENT BEGINNING FROM AND AFTER DECEMBER 31, 2006
34 THROUGH DECEMBER 31, 2007.

35 (iii) TWENTY-THREE AND ONE-HALF PER CENT BEGINNING FROM AND AFTER
36 DECEMBER 31, 2007 THROUGH DECEMBER 31, 2008.

37 (iv) TWENTY-THREE PER CENT BEGINNING FROM AND AFTER DECEMBER 31, 2008
38 THROUGH DECEMBER 31, 2009.

39 (v) TWENTY-TWO AND ONE-HALF PER CENT BEGINNING FROM AND AFTER DECEMBER
40 31, 2009 THROUGH DECEMBER 31, 2010.

41 (vi) TWENTY-TWO PER CENT BEGINNING FROM AND AFTER DECEMBER 31, 2010
42 THROUGH DECEMBER 31, 2011.

43 (vii) TWENTY-ONE AND ONE-HALF PER CENT BEGINNING FROM AND AFTER
44 DECEMBER 31, 2011 THROUGH DECEMBER 31, 2012.

45 (viii) TWENTY-ONE PER CENT BEGINNING FROM AND AFTER DECEMBER 31, 2012
46 THROUGH DECEMBER 31, 2013.

1 (ix) TWENTY AND ONE-HALF PER CENT BEGINNING FROM AND AFTER DECEMBER
2 31, 2013 THROUGH DECEMBER 31, 2014.

3 (x) TWENTY PER CENT BEGINNING FROM AND AFTER DECEMBER 31, 2014.

4 (c) If subdivision (b) is finally adjudicated to be invalid, for
5 secondary property tax purposes, five per cent.

6 Sec. 5. Laws 1996, chapter 344, section 12, as amended by Laws 2001,
7 chapter 370, section 8, is amended to read:

8 Sec. 12. Delayed repeal

9 Title 41, chapter 10, article 2, Arizona Revised Statutes, and sections
10 20-224.03, 43-1074 and 43-1161, Arizona Revised Statutes, are repealed from
11 and after June 30, ~~2006~~ 2011.

12 Sec. 6. Retroactivity

13 This act applies retroactively to from and after June 30, 2006.